वित्त मंत्रालय में राज्य मंत्री (श्री एम० वी० चन्द्रशेखर मूर्ति) : (क) से (ग) 10 अक्तूबर, 1990 से 1 नवम्बर 1994 की अवधि के दौरान बचत जमा राशियों पर देय ब्याज दरें निम्नलिखित हैं :—

प्रभावी तारीख	ब्याज दर (% वार्षिक)
10 अक्तूबर 1990 से 23 अप्रैल 1992	5.0
24 अप्रैल 1992 से 30 जून 1993	6.0
1 जुलाई, 1993 से अक्तूबर 1994	5.0
1 नवम्बर 1994 से—	4.5

मुद्रा स्फीति की दर में वृद्धि के संदर्भ में, अप्रैल 1992 में बैंक जमा राशियों पर ब्याज दरों को बढ़ाया गया था। तत्पश्चात् 1992–93 के दौरान मुद्रा स्फीति में प्रत्यक्ष कमी आई। इस कारण, बैंक जमा राशियों पर ब्याज दरों को धीरे-धीरे कम किया गया था। यह ध्यान में रखते हुए कि बचत जमा-राशियों के खातों का बड़ा भाग चालू खाते के रूप में उपयोग में आता है और यह कि जमा कर्ता अब 46 दिनों की नावधि जमा राशियों पर 7.0 से 8.0 प्रतिशत तक उच्च ब्याज दर प्राप्त कर सकते हैं। बचत खातों पर ब्याज दरों में कमी का बेहतर पता ऐसे खातों की प्रकृति से चलता है।

Lowering of interest rate by reserve Bank of India

205. **PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE** be pleased to state:

(a) whether the Reserve Bank of India has lowered the interest rates;

(b) if so, details thereof and the reasons therefor;

(c) whether the banks have decided the rate of interest to be charged and if so, the details thereof, bank-wise;

(d) the effect of lowering the interest rates on saving bank accounts on the general public and the reaction of the people at large; and

(e) whether there is any proposal to withdraw the lowering of interest rate on the saving bank accounts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (c) The structure of interest rates on deposits and advances of scheduled commercial banks announced by Reserve Bank of India (RBI) on October 17, 1994 is set out below:

(I) DEPOSITS

(A) DOMESTIC :	**Old Rate**	**New Rate**	**Effective Date**
	(Per cent Per annum)		
Savings	5.0	4.5	1.11.94
(B) Non-residents external rupee account (NRE) :			
Term deposits (6 months to 3 years and above)	Not exceeding 10.0	Not exceeding 8.0	18.10.94
Savings	5.0	4.5	1.11.94

(II) ADVANCES

Size of Credit Limit	Old Rates		New Rates
	Term Loans	All other Advances	(Effective 18.10.1994 All Advances including term loans)
(A) Upto and inclusive of Rs. 25,000/- . .	12.0	12.0	12.0
(B) Over Rs. 25,000/- and upto Rs. 2 lakhs .	14.0	15.0	13.5
(C) Over Rs. 2 lakhs	14.0 (minimum)	15.0 (minimum)	Free

The interest on savings deposits was reduced taking into account that a large proportion of savings deposit accounts are utilised essentially as current accounts and depositors are able to get high rate of interest on term deposits and that the savings deposite rate was needed to better reflect the nature of such accounts. The interest rate on Non-resident External Rupees account (NRE) term deposits was reduced, as in the context of stable dollar-Rupee rate it was necessary to review the deposit rates no NER accounts. The lending rates of commercial banks for credit limits over Rs. 2 lakhs have been dereguloted to reduce the element of prescription of interest rates by RBI and to give freedom to banks to fix the lending rates against the back-drop of emerging monetary scenarioe. The minimum lending rate is now replaced by the prime lending rate which is prescribed by individual tanks with the approval of their respective Board of Directors. For credit limits over Rs. 2 lakhs, most banks fixed a prime lending rate of 14.0 per cent. The interest rates are kept under continuing review and appropriate charges are made in accordance with the emerging development in the economy. Effective February 10, 1995 the maximum deposit rate has been raised from 'not exceeding 10.0 per cent per annum' to 'not exceeding 11,0 per cent per annum'. Following the above hike in the maximum term deposit rate by one per-centage point some banks have raised their prime lending rate from 14.0 per cent to 15.0 per annum.

(d) and (e) Reserve Bank of India (RBI) have reported that the mobilisation of deposits by banks would not be adversely effected by changes in interest rates. Representation was received by Reserve Bank of India (RBI) regarding lowering of deposit rate on savings account. However. Reserve Bank of India (RBI) have no proposal at present to revise the interest rate paid on savings deposit accounts.

Annual status report to policy holders

206. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Insurance Companies propose to institute a system of informing all policy holders a status report annually on their policies;

(b) if not, the reasons therefor; and

(c) the steps proposed to ensure more responsibility in Insurance Companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) The LIC have reported that in respect of ordinary policies, the status of the policy is conveyed to the policyholder alongwith the premium notice. In respect of the policies under Salary Savings Scheme the premium demand invoice sent to the employer indicates the status of the policy.